

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 3355-01
BILL NO.: HB 1709
SUBJECT: Education, Elementary and Secondary: Teacher Certification
TYPE: Original
DATE: March 1, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue		(\$98,600 to \$228,600)	(\$285,600 to \$415,600)
	(\$54,400)		
Total Estimated Net Effect on <u>All</u> State Funds	(\$54,400)	(\$98,600 to \$228,600)	(\$285,600 to \$415,600)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	(\$0 to \$130,000)	(\$0 to \$130,000)	(\$0 to \$130,000)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

The **Joint Committee on Public Employee Retirement (JCPER)** has reviewed this proposal and has determined an actuarial study is not needed under the provisions of section 105.660, subdivision (5).

Officials from the **Public School Retirement System and Non-Teacher School Employee Retirement System** assume the proposal would not affect the systems.

Officials from the **Secretary of State's Office (SOS)** assume the rules, regulations and forms issued by the Department of Elementary and Secondary Education could require as many as approximately 6 pages in the Code of State Regulations. For any given rule, roughly half again as many pages are published in the Missouri Register as in the Code because cost statements, fiscal notes and the like are not repeated in the Code. These costs are estimated. The estimated cost of a page in the Missouri Register is \$22.50. The estimated cost of a page in the Code of State Regulations is \$26.50. The actual costs could be more or less the SOS's estimated cost of \$361.50 for FY 2001. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded or withdrawn. **Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Elementary and Secondary Education (DESE)** estimate the fiscal impact as follows:

Application Cost Assistance

It is assumed that 100 teachers per year will apply for National Board Certification. Currently, the application fee is \$2,300, with the Federal government subsidizing the candidate \$1,000 of the fee. Therefore, the annual estimate for providing application cost assistance is 100 teachers X \$1,300 remaining application fee = \$130,000.

ASSUMPTION (continued)

Bonuses

At the present time, there are 29 National Board Certified teachers in Missouri. National Board certificates are valid for 10 years. Assuming that (1) the teachers receiving the National Board Certification in 1999 would be the first teachers eligible to receive the bonus; (2) about 10% of teachers would be teaching in a district/school that qualifies for the 10% bonus level; and (3) using an average salary of \$34,000, the costs for FY 2001, 2002 and 2003 are calculated as follows:

10% bonus level X \$34,000 average salary = \$3,400;

5% bonus level X \$34,000 average salary = \$1,700;

FY 2001: 3 teachers (prov, unacc, or fin stressed)	X \$3,400	= \$	10,200
26 teachers (all other districts)	X \$1,700	= \$	44,200
		\$	54,400

FY 2002: 5 teachers (prov, unacc, or fin stressed)	X \$3,400	= \$	17,000
48 teachers (all other districts)	X \$1,700	= \$	81,600
		\$	98,600

FY 2003: 15 teachers (prov, unacc, or fin stressed)	X \$3,400	= \$	51,000
138 teachers (all other districts)	X \$1,700	= \$	234,600
		\$	285,600

Totals

FY2001 \$130,000 + \$ 54,400 = \$184,400

FY2002 \$130,000 + \$ 98,600 = \$228,600

FY2003 \$130,000 + \$285,600 = \$415,600

The proposal states the Department would pay the National Board for Professional Teaching Standards certification fee for any teacher already certified to teach provided that the teacher seeking payment would first seek reimbursement from the school district. The **Oversight Division** assumes a portion of the \$130,000 fee would be paid by DESE and a portion would be paid by school districts. Therefore, Oversight has ranged the cost from zero to \$130,000 for DESE and school districts, beginning in FY 2002.

FISCAL IMPACT - State Government

FY 2001
(10 Mo.)

FY 2002

FY 2003

GENERAL REVENUE FUND

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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Cost-Department of Elementary and
 Secondary Education (DESE)

National Board Certification Fee	\$0 (\$0 to \$130,000)	(\$0 to \$130,000)	
Teacher Bonuses	(\$54,400)	(\$98,600)	(\$285,600)

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$54,400)</u>	<u>(\$98,600 to \$228,600)</u>	<u>(\$285,600 to \$415,600)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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SCHOOL DISTRICTS

Cost-School Districts

National Board Certification Fee	<u>(\$0 to \$130,000)</u>	<u>(\$0 to \$130,000)</u>	<u>(\$0 to \$130,000)</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

The Department of Elementary and Secondary Education would adopt a National Teacher Certification Encouragement Program. The program would encourage teachers to voluntarily apply for and achieve teacher certification by the National Board for Professional Teaching Standards.

Beginning July 1, 2001, the Department would pay the National Board for Professional Teaching Standards certification fee for any teacher already certified to teach provided that the teacher seeking payment would first seek reimbursement from the school district. The Department would only be required to pay the portion of the fee that the school district does not pay. The Department would pay one-half of the fee when the teacher submits documentation that the teacher is a candidate for national board certification and pay the second half upon receipt of documentation that the teacher has achieved certification.

ASSUMPTION (continued)

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For any school year beginning after the achievement of the certification, the Department would pay a bonus to any teacher certified. The amount of the bonus would be 10% of the teacher's salary in unaccredited districts, provisionally accredited districts, financially stressed districts or underserved districts. The bonus would be 5% of the teacher's salary for nationally certified teachers in all other school districts.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Public School Retirement System
Non-Teacher School Employee Retirement System
Joint Committee on Public Employee Retirement
Secretary of State's Office



Jeanne Jarrett, CPA
Director
March 1, 2000